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TAGS: [SOCI](#) [KIRF](#) [PHUM](#) [IS](#) [VT](#)
SUBJECT: HOLY SEE ENCOURAGED BY TALKS WITH ISRAEL

REF: VATICAN 90 ET AL.

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CLASSIFIED BY: Peter Martin, Pol/Econ Chief, Vatican, State.
REASON: 1.4 (b), (d)

Summary

[11.](#) (C) Vatican officials were encouraged by the May 21 plenary session with Israel on the Fundamental Agreement (FA) between the Holy See and Israel. While there were no major breakthroughs, officials told us that the Israelis engaged on the issues in a way they had not done before. One important step was the Israeli side edging closer to guaranteeing recourse to Israeli courts on issues covered under the FA. The two sides expect to set up a calendar for future working group meetings by the end of May. The Holy See believes the USG's encouragement of Israel on the issue was a factor in the Israelis' coming to the table in good faith and may raise the issue with President Bush when he visits June 9 - to thank him and ask for our continued engagement. End Summary.

Good Signs

[12.](#) (C) Holy See Secretary for Relations with States Pietro Parolin told us he was encouraged by the May 21 plenary session with Israel, addressing issues related to the 1993 Fundamental Agreement (FA) between the Holy See and Israel. There was no breakthrough, he said, and there is still much work to be done. But both sides appear to be ready to move ahead, he concluded.

[13.](#) (C) Msgr. Franco Coppola (please protect), Holy See Director for Israel, told us the atmosphere of the session was different from that at previous meetings at the working level over the past several years. "[The Israeli delegation] was well

prepared and ready to negotiate" - unlike in the past, he said. Coppola said the two sides had made progress on some points, but the bigger story was simply that there was an earnest attempt to engage on the issues.

Jaeger Hopeful

14. (C) Even the oft-pessimistic Fr. David Jaeger (please also protect), the longtime Holy See negotiator on the issue, was hopeful after the May 21 session. He told us that before the meeting the Israelis had asked him by email to bend on the Holy See insistence on "due process" (access to the courts for judgments and appeals for matters covered under the FA). When Jaeger didn't budge, he was asked to meet the Israeli delegation at their Rome hotel the night before the plenary session. After speaking that night, the Israelis agreed to concessions on the point - a crucial one for the Holy See, which saw the FA as worthless unless it secured recourse to the courts.

15. (C) Jaeger admitted that no actual agreements were finalized on this or any other of the main points at stake on property and related taxes. But he echoed Coppola in commenting on the Israelis' "real spirit of seriousness and purposefulness". Jaeger said that the next test of Israeli resolve would be their agreement to a calendar of working group meetings over the coming months.

Comment: Grateful to the U.S.

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16. (C) Both Coppola and Jaeger believe that the USG's encouragement of Israel on the issue was a factor in the Israelis' coming to the table in good faith. They thanked the administration and asked that we continue to encourage Israel to move forward. Parolin said he was waiting to see the calendar set for the next meetings, and would discuss with his superiors whether to focus on the issue with President Bush when he visits Pope Benedict and Secretary of State Bertone June 9. We expect the Holy See to thank the President and ask for the USG's continued support for the successful implementation of the FA.
SANDROLINI